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25 January 1954

## MEMORANDUM FOR THE RECORD

I just wanted to make this memorandum for the record of the status of several important things in the Credit Union at the time of my departure.

1. Extension of Credit Union Facilities Overseas. The Bureau of Federal Credit Unions has agreed to the concept that the Agency will act as agent for all individuals located overseas who are members of the Credit Union or who want to use Credit Union facilities. The idea behind this is that the Credit Union will operate actually only in Washington, but will honor as valid any request for loan, withdrawal, dividend disbursement, etc. presented by the Agency in behalf of an individual located overseas. In this the Agency would take on the responsibility of transmitting requests for funds to the Credit Union, transmitting the funds themselves to the Credit Union, performing such audit functions demanded of it by the Bureau of Federal Credit Unions, etc. Also, an individual would have to execute to the Agency some kind of a power authorizing the Agency to act in his or her behalf. This concept has been accepted in theory by the Bureau of Federal Credit Unions, but the details of it are being worked out by [redacted] Office of the General Counsel, representing the Agency, the Board of Directors of the CIA Federal Credit Union, representing, of course, the Credit Union, and Mr. Wyner, representing the Bureau of Federal Credit Unions.

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2. Cash Personal Checks Without Credit Union Endorsement. [redacted] has agreed to accept for deposit (under a special arrangement and in a special account) personal checks which do not have stamped upon them the Credit Union endorsement. A similar arrangement has existed for some time with Government checks. [redacted] Assistant Treasurer, is working out the details of this in order to put it into operation in the near future.

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3. Ten Cent Check Cashing Fee. As of 30 June 1953 the CIA Federal Credit Union ceased charging a ten cent fee for the cashing of checks. This was because of a ruling by General Counsel that under Federal statutes and that under the Bureau of Federal Credit Unions' interpretation of these statutes the Credit Union could not charge for cashing checks. Because this ruling has been questioned

and because the Credit Union has been cashing nonmembers checks, and members are really paying for this, the whole matter needs restudy.

4. Examination by Bureau of Federal Credit Unions. [REDACTED] informs me that action has been taken to meet almost all of the exceptions taken by the Bureau of Federal Credit Unions in their last examination. However, the report did include some general recommendations which were long term, as well as a number of suggestions, and there are a couple of these that have not been acted upon. For example, the report recommended that certain changes be made in the large \$5,000 accounting machines, and the Credit Union will have to either get a substitute machine or pick a time when it can close one office for ten or fifteen days in order to have these changes made. However, all of the exceptions that the Bureau of Federal Credit Unions made should be followed until we can report to them that all have been taken care of.

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5. Credit Union T/O. [REDACTED] is going to submit certain recommendations about changes in the Credit Union T/O. These should be examined from the point of view of the development of the Credit Union, as well as next year's net profit figure.

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[REDACTED]  
Special Assistant to the  
Deputy Director  
(Administration)

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